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7 December 1954

MEMORANDUM FOR: Colonel White

SUBJECT : Presentation on Overseas Personnel Management,
With Attachments

1. Mr. Lloyd and I attended the presentation on overseas personnel management, in the Director's Conference Room this afternoon. Mr. Dulles was in attendance for a brief period at the start, and he personally put in a vigorous plug to Mr. Henry Du Plessis, who was Chairmening the presentation, on behalf of educational allowances for overseas personnel. So vigorous was his plug for educational allowances that everyone was taken completely by surprise, including the Chairman of the meeting who later confided that he had expected Mr. Dulles to be most interested in the program of Government housing overseas, which he subsequently went into.

2. The program was divided into three parts. Mr. John W. Macy, Executive Director of the U. S. Civil Service Commission, gave a broad brush picture of forthcoming Civil Service actions in connection with extending the competitive Civil Service overseas. None of what he discussed had anything to do with legislative proposals for the 84th Congress. Most interesting to us was the statement that the Civil Service Commission was of a mind that Schedule A had long ago outlived its usefulness and should be supplanted by a competitive system which would permit the establishment of career incentives and facilitate the orderly transfer of personnel from one agency to another overseas, if the needs of the Government dictated. It seemed to me that he was serving notice on everyone that the Commission intends to do everything it can to eliminate the use of Schedule A authority as quickly as possible.

3. Messrs. Carl Harr and Dana Orwick, of the Department of State, gave an illustrated summary of steps being taken to implement the report of the Public Committee on the Foreign Service appointed by the Secretary of State and headed by Dr. Henry W. Wriston. These gentlemen gave a rather tedious discussion of the background leading up to the appointment of the Public Committee and gave some indication of what their legislative proposals would be in the 84th Congress. Of interest was the fact that they proposed to so introduce their legislation that it will be reported out to the Foreign Affairs Committees in Congress rather than to the Post Office and Civil Service Committees, where they have been stymied in the past. This is equivalent to seeking and obtaining a change of venue.

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4. Mr. Du Flon discussed the specific legislative proposals in the area of overseas allowances that are being formulated by the present administration for introduction in the 84th Congress. Successively, he dealt with pay systems, the extension of retirement benefits to alien employees of the United States Government overseas, housing for overseas employees (with the rather startling proposal that all overseas housing for other than the military would come under the jurisdiction of the Department of State), medical programs for employees, and their dependents overseas, educational allowances, and territorial differentials. Messrs. Houston, [redacted] and Pforzheimer quizzed Mr. Du Flon rather closely on the question of whether the administration was going to back an omnibus overseas allowances bill applicable to each of the thirty-three Federal agencies having overseas responsibility, or whether each agency would advance its own legislative proposal in these areas, taking care only to make their language consistent with announced administration policy. For example, in the matter of educational allowances, Mr. Warner elicited from Mr. Du Flon the information that CIA might well introduce its own legislative proposal for educational allowances, using the exact language which has already been drafted by Mr. Du Flon and his group.

5. Mr. Malcon spent some time quizzing Mr. Harr of the Department of State on the integration (lateral entry) program there, in an obvious attempt to draw parallels to our present and future experiences in admitting people into the career service. Of interest in this context was the fact that Mr. Harr stated that the expanded foreign service intends to offer an individual only one choice of an overseas spot when his turn for duty abroad comes up. Although the foreign service personnel will be allowed to express their geographical preferences once a year when their assignments come through, they have only two choices - one, to accept it, or two, to resign from the foreign service.

6. Other than what I have noted above, very little of significance was touched upon during this presentation.

[redacted]

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Attachments

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